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MEMORANDUM FOR THE RECORDS

CONFIDENTIAL

29 November 1955

TO: Chief, Budget Division

SUBJECT: Points For Consideration Relating to Legislative History on
Authorization and Appropriation For New Building

1. P.L.155, 82nd Congress, approved Sept. 28, 1951 contains authority for the new building under Title IV:

"Sec.401. The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, under the direction of the Secretary of Defense, are respectively authorized to establish or develop joint military installations and facilities by the construction, conversion, installation or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

By the Secretary of the Army: \$40,766,000
By the Secretary of the Navy: \$10,000,000
By the Secretary of the Air Force: \$38,000,000."

"Title V, General Provisions, Sec.502.

There are hereby authorized to be appropriated such sums of money as may be necessary to accomplish the purposes of this Act, but not to exceed: **** (4) For public works authorized by Title IV: Department of the Army, \$55,766,000; Department of the Navy, \$15,000,000; and Department of the Air Force, \$63,000,000."

Senate Report No.694, dated June 30, 1955, relating to the bill authorizing construction at Military, Naval and Air Force Installations (H.R. 6829) P.L. 161 - 84th Congress, approved July 15, 1955 contains the following comments on page 16 relative to cancelation of the existing authorization for the construction of a headquarters installation for CIA (the report indicates that the comments relate to Section 510 of the Act, whereas, the comments actually relate to Section 511 of P.L. 161-84th Congress):

"Section 510 provides an initial step in canceling authorizations for construction which have been law for a number of years, but which have not been utilized by the military departments. Under this section, any authorization enacted prior to October 1, 1951, (with certain minor exceptions) as to which funds shall not have been obligated in whole or in part by July 1, 1956, will be canceled as of that date. In this connection, title IV contains an authorization for the construction of a headquarters installation for the Central Intelligence Agency which repeats, in an increased amount, a previous authorization intended for that purpose. The existing authorization to the CIA will not have been fully canceled until July 1, 1956. However, it is the intent of this committee that the

CONFIDENTIAL

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authorization under title IV will be in full substitution for the existing authorization. Section 510 will rescind \$602.4 million in authorizations no longer required that have already been identified, as well as an additional authorization totalling at least \$300 million which will be identifiable as the construction programs are carried to conclusion. It is anticipated that cancellation of prior unused authorizations will be extended in connection with future military public works authorization acts so that existing authorizations can be restricted to those that are in fact currently needed."

The House Report No. 1033, dated July 7, 1955 makes no reference to the provision contained in the bill (H.R. 6829) P.L. 161 -84th Congress for cancellation of the existing authorization for construction of a CIA headquarters installation.

The authorization for canceling the existing authority for construction of the Agency's building is contained in the following excerpt from P.L. 161-84 Congress, approved July 15, 1955, Title V, General Provisions:

"Section 511. As of July 1, 1956, all authorizations for military public works projects to be accomplished by the Secretary of a military department in connection with the establishment or development of military, naval or Air Force installations and facilities, and all authorizations for appropriations therefor, that are contained in Acts approved prior to October 1, 1951, and not superseded or otherwise modified by later authorization are repealed, except (1) authorizations for public works and for appropriations therefor that are set forth in such Acts in the titles that contain the general provisions, (2) authorizations for military public works projects as to which appropriated funds shall have been obligated in whole or in part prior to July 1, 1956 and authorization for appropriation therefor, and (3) the authorizations with respect to military public works and the appropriation of funds that are contained in the National Defense Facilities Act of 1950 (64 Stat. 829)."

2. The new authorization for construction of the Agency's headquarters installation is contained in P.L. 161 -84th Congress, approved July 15, 1955, Title IV as follows:

"Section 401. The Director of Central Intelligence is authorized to provide for a headquarters installation for the Central Intelligence Agency, in the District of Columbia or elsewhere, by the acquisition of land at a cost of not to exceed \$1,000,000, and construction of buildings, facilities, appurtenances, utilities and access roads at a cost of not to exceed \$54,500,000, of which not more than \$8,500,000 shall be available for transfer to the National Capital Planning Commission and the Department of the Interior for acquisition of land

CONFIDENTIAL
-2-

CONFIDENTIAL

for and construction to extend the George Washington Memorial Parkway to the present site of the research station of the Bureau of Public Roads at Langley, Fairfax County, Virginia: Provided, That at such time as it is determined that construction of such headquarters installation at said research station will not be commenced or continued, said amount of \$8,500,000, or the remainder thereof, shall no longer be available for obligation: Provided further, That at such time as the Central Intelligence Agency occupies the headquarters installation authorized by this title, the Administrator of General Services is authorized and directed to accomplish the demolition and removal of temporary Government building space in the District of Columbia of equivalent occupancy to that relinquished by the Central Intelligence Agency."

"Section 502. There are hereby authorized to be appropriated such sums of money as may be necessary to accomplish the purposes of this act, but not to exceed **** (4) for public works authorized by Title IV: \$54,500,000."

House Report No.865,dated June 20,1955 includes the following remarks:

"While the Central Intelligence Agency is not a part of the Department of Defense, the military authorization bill was used this year as an appropriate vehicle for obtaining authority to construct a headquarters for it. Testimony was taken in closed session from the Director of Central Intelligence Agency, Hon. Allen W. Dulles, and his assistants. This testimony revealed that the situation in which the Agency finds itself, being distributed as it is today in 34 different buildings, makes the need for a single integrated facility obvious." With respect to the above provision Senate Report No.694 contains the following comments:

"This title of the bill would authorize the Director of Central Intelligence to construct a headquarters building, together with related facilities, appurtenances, utilities, and access roads at a cost not to exceed \$53,500,000.

This authorization has been included in the military construction bill since the Armed Services Committees have jurisdiction over matters of substantive legislation affecting the Central Intelligence Agency.

The CIA is presently located in 34 Separate buildings in the District of Columbia area. The committee has been impressed by the increased efficiency and security that could be attained by providing centralized facilities, in addition to the monetary savings that will result.

CONFIDENTIAL

The authorization request for the building proper was in the amount of \$50 million. The committee has reduced this request by \$5 million after considering the cost of construction and the size of similar buildings in the Washington area.

Selection of a site for this construction was the subject of careful committee inquiry. One of the proposed locations that is still a very likely possibility is on Government-owned land at Langley, Va. If this site is finally chosen, an extension of the George Washington Memorial Parkway from its present terminus approximately 3 1/2 miles below Chain Bridge to the research station of the Bureau of Public Roads at Langley, Va., approximately 3 1/2 miles above Chain Bridge would be required. The bill includes authority to transfer \$8,500,000 to the National Capital Planning Commission and the Department of Interior for the acquisition of land and the construction of the extension of this parkway. If the Langley site is not selected, this \$8,500,000 would not be available for obligation. The original estimate of \$6 million for land acquisition at a site other than Langley has been reduced by the committee to \$1,000,000.

A proviso to this title calls for the demolition, at such time as the Central Intelligence Agency occupies the headquarters installation authorized by this title, of temporary space of "equivalent occupancy" to that now occupied by the Central Intelligence Agency in temporary buildings. It is expected that priority will be given to the demolition of the temporary buildings in the Mall area."

Also House Report No.1083 contained the following statement relative to the provision:

"The House version of the bill contained an authorization for \$50,000,000 for the construction of a headquarters for the Central Intelligence Agency and also an additional \$6,000,000 authority for the acquisition of the land necessary therefor. The Senate modified the language of the House to the extent that it provided for the acquisition of land at a cost not to exceed \$1,000,000, and construction of buildings, roads, etc., at a cost not to exceed \$53,500,000, of which latter sum not more than \$8,500,000 would be available for transfer to the National Capital Planning Commission and the Department of the Interior for acquisition of land and for construction to extend the George Washington Memorial Parkway to the present site of the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Va. The conferees agreed on the Senate language, but raised the total authorized amount by \$1,000,000."

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3. P.L. 161 contains general provisions under Title V lifting certain restrictions imposed by law on the prosecution of a military construction program under present conditions, as follows:

"Section 501. The Secretaries of the Army, Navy and Air Force are respectively authorized to proceed with the establishment or development of military and naval installations and facilities as authorized by titles I, II, and III, of this act, and the Director of Central Intelligence is authorized to proceed with the establishment of a Central Intelligence Agency Headquarters Installation as authorized by title IV of this Act, without regard to the provisions of sections 1136, 3648, and 3734, as respectively amended, of the Revised Statutes, and prior to approval of title to underlying land, as provided by section 355, as amended, of the Revised Statutes. The authority under this Act of the Secretary of a military department to provide family housing includes authority to acquire such land as the Secretary concerned determines, with the approval of the Secretary of Defense, to be necessary in connection therewith. The authority to establish or develop such installations and facilities shall include, in respect of those installations and facilities as to which family housing or the acquisition of land is specified in titles I, II, III, and IV of this Act, authority to make surveys and to acquire lands and rights and interests thereto or therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, and to place permanent temporary improvements thereon whether such lands are held in fee or under lease or under other temporary tenure."

Senate Report No. 694 includes the following remarks concerning these provisions:

"Section 501 provides the authority to acquire land on which to provide family housing for military personnel. It also contains the customary language avoiding the application of certain sections of the Revised Statutes that impose unreasonable restrictions on the prosecution of a military construction program under conditions prevailing today."

4. P.L. 161 defines the specific construction authority to include expenses incident to construction, as follows:

"Section 504. Appropriations made to carry out the purposes of this Act shall be available for expenses incident to construction, including surveys, administration, overhead, planning, and supervision."

Senate Report No. 694 contains the following comment on the above provision:

"Section 504 defines the specific construction authority so as to include incidental expenses such as those of administration, overhead, planning and supervision."

5. P.L. 161 provides for the awarding of contracts on a competitive basis to the lowest responsible bidder, as follows:

"Section 506. All contracts entered into by the United States pursuant to the authorization contained in this Act shall be awarded, so far as practicable, if the interest of the national security shall not be impaired thereby and if such award is consistent with the provision of the Armed Services Procurement Act of 1947, on a competitive basis to the lowest responsible bidder." Senate Report No. 694 includes the following comment relative to the provision:

"Section 506 repeats, in substance, the provisions of a floor amendment to last year's military construction bill. This section provides that contracts entered into pursuant to the authorization contained in this bill shall be awarded on a competitive basis to the lowest responsible bidder, if the interest of the national security would not be impaired thereby, and if such an award is consistent with the Armed Services Procurement Act of 1947.

6. P.L. 155-82nd Congress, approved Sept. 23, 1955, includes a provision authorizing the appropriation of funds for advance planning as follows:

"Section 504. There are hereby authorized to be appropriated funds for advance planning, construction design and architectural services in connection with public works projects which are not otherwise authorized by law in such amounts as may be provided in the appropriation act concerned. Such sums as are appropriated shall remain available until expended when specifically provided in the appropriation act."

The above provision was amended by P.L. 161, as follows:

"Section 512. Section 504 of Public Law 155, Eighty-second Congress, is amended to read as follows: Sec. 504. There are hereby authorized to be appropriated without fiscal year limitation, funds for advance planning, construction design, and architectural services in connection with public works projects which are not otherwise authorized by law."

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Senate Report No. 694 contains the following comments relative to this provision (the report indicates that the comments relate to Section 511 of P.L. 161, whereas they relate to Section 512:

"Section 511 amends section 504 of Public Law 155, 82nd Congress, with respect to the authorization for advance planning, construction design and architectural services in connection with public works projects not otherwise authorized by law. This provision will permit the funds appropriated for those purposes to remain available until expended without the necessity for a specific provision to that effect in the appropriations act. This will place the funds for such purposes on the same basis that funds for construction proper are now placed, and will avoid any need for setting up a special appropriation account for such funds."

7. On June 7, 1955, Director Dulles testified before the Senate Subcommittee on Real Estate and Military Construction concerning the authorization of the CIA headquarters installation as follows:

"Mr. Dulles. We deeply appreciate the opportunity to appear before you this afternoon in support of our request for authority to provide a headquarters installation for the Central Intelligence Agency.

The authorization language to which we address ourselves is contained in title IV of S.1765, the military construction bill, presently before your committee.

Title IV of this legislation would authorize the Director of Central Intelligence to construct the necessary headquarters building, facilities, appurtenances, utilities, and access roads at a cost of not to exceed \$50 million, and to acquire the necessary land at a cost of not to exceed \$6 million.

Our authorization request therefore amounts to a total of \$56 million. This request for authorization has been included in the military construction bill as the Armed Services Committee has been our parent committee on matters of substantive legislation affecting the Central Intelligence Agency, and the Bureau of the Budget felt that this request would be best included in the bill presently before you."

Further testimony follows:

"Mr. Dulles. The new building only allows for a slight expansion but we think it is adequate. I have been making every effort to keep these numbers down.

SECRET

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We have been working very closely with the GSA in the development of our building requirements.

(The document referred to is as follows:)

Cost

Building with gross floor area of 2,300,000 square feet; basement, 7 floors, reinforced concrete frame; pile foundations; air conditioning; fluorescent lighting; auditorium, shops, and laboratory areas; cafeteria included.

Estimate

Building (2,300,000 square feet at \$19.52 (Approximate)-----	\$44,900,000
Elevators and escalators, air conditioning, steam connection, contingency, general expenses.	
Piles-----	1,260,000
Road and utilities changes-----	200,000
Stone facing etc -----	1,500,000
Emergency generator-----	500,000
Special requirements-----	1,640,000
Total building cost-----	50,000,000
Site -----	6,000,000

Mr. Dulles. As you will see from this chart we are planning on a building to contain a total of 2,300,000 square feet of gross space. In any building there is a certain amount of circulation and service space such as corridors, stairways, toilets, and so forth, which makes up the difference between net space and gross space. We are asking for nothing but space in which we can operate securely and efficiently under one roof, and we shall neither recommend nor accept devices or fittings that exceed our requirements in this regard. That chart there gives you a general idea of how the space is allocated.

In 1951 we sought authorization from your committee for a CIA headquarters building, and we were authorized the sum of \$38 million. At that time the House Appropriations Committee did not authorize any funds for construction, but the funds were restored in the Senate appropriations bill.

However, there was a feeling that we had not at that time sufficiently canvassed the possibility of utilizing an existing building, nor had we progressed far enough in site selection or planning to warrant the expenditure of additional funds in that year.

As a result, the appropriations conferees denied us the funds to proceed.

It got caught in the last-minute rush. It got caught in the conferences between the Senate and House.

Senator Stennis. What year was that?

Mr. Dulles. 1951. And it was cut out. We tried to struggle on as we were until this last year we reached the conclusion that we can't operate efficiently and properly without a building. I want to refer briefly to the fact that we are asking today for \$50 million whereas we received authorization for only \$38 million in 1951, that is \$50 million for the building, \$6 million for the land. Senator Stennis. You would want this \$38 million rescinded; wouldn't you?

Mr. Dulles. We are suggesting that. It would be probably wiser to rescind it and start afresh.

The reason for the increase is attributable to two factors. One is a more realistic analysis of our space requirements which show that we need additional square feet over that which we planned for in 1951. That is due to increased duties that have been placed upon us and realistic planning I think for the future.

Secondly, it is due to the fact that construction costs have increased 17 percent from 1951 to the present time. In fact, that 17 percent increase would practically fill up the gap between the 38 and the 50. We estimate that the final cost of construction would be approximately the same whether we build in the District of Columbia or outside. In the former case, that is in the case of the District, we would have to have what is called a monumental building to conform to the District architecture.

That means a stone facing. However, if we are to build outside the District, we would have the cost of some utilities and interior roads within the property which would largely balance out the cost of a monumental structure in the District.

I may say that the item put in for land purchase would be very substantially reduced if we build outside the District. We are rather inclining to do that.

Mr. Dulles. That shows \$6 million for a site and a slightly different estimate as you will see for the cost of building."

The cost estimate for the building and site included in the above testimony was for construction in the District of Columbia. The following cost estimate relating to construction on an out-of-the-city site was also included in the record:

Cost

" Building with gross floor area of 2,300,000 square feet; basement, approximately 7 floors, reinforced concrete frame; air conditioning, fluorescent lighting; auditorium, shops, laboratory; and cafeteria included.

Estimate

Building (2,300,000 square feet, at \$19.03 approximately)	\$43,760,000
Elevators and escalators, air conditioning, contingency, general expenses.	
Boiler plant	2,700,000
Tunnel, boiler plant to building	200,000
Roads, parking, site development, and exterior utility changes	1,200,000
Emergency generator	500,000
Special requirements	1,640,000
Total building cost	50,000,000
Site cost	1,000,000

Mr. Dulles also testified with respect to the preparation of the construction drawings and specifications, as follows:

"The original authorization in 1951 to which you referred was granted. We think you might wish to consider in case you act favorably on title IV, the repeal of the previous authorization.

We estimate that the project will take about 9 months for the preparation of the construction drawings and specifications and the award of the contract, and that it will take about an additional 2 years for construction.

That is one of the reasons why the matter is so urgent. We will try to cut down those periods as much as we can but we are likely to be thrown out of house and home within a 2-year period or a little more."

8. In seeking an appropriation for the proposed CIA headquarters installation, Mr. Dulles, Mr. White and others appeared before the House sub-committee on appropriations considering the Military Construction Appropriations for 1956. Pertinent portions of their testimony follows:

Authorizations

Mr. Dulles.

"In 1951, we sought authorization for a CIA headquarters building, and you may recall, Mr. Mahon, we were authorized the sum of \$38 million. At that time the House Appropriations Committee did not authorize the funds for the construction, but the funds were restored in the Senate appropriation bill. However, due to a last-minute logjam, we did not get the appropriation that year, although we still have the authorization on the books.

Reasons for Increase in Cost

The question may be asked as to why we ought to have \$38 million in 1951, and in 1955 we are asking for more than that. One of the reasons is that we have a few more people than we had then, together with more realistic space requirements, and the other fact is that building costs have gone up 17 %, which accounts for the difference between what we asked for at that time, and what we are asking for now.

Here is the estimate of costs, the number of square feet given on the previous chart, the approximate cost per square foot as we are advised, the cost for certain standby facilities, such as boiler plants, and so forth and so on, which accounts for our total.

(The chart referred to is as follows:)

Cost--Building with gross floor area of 2,300,000 square feet, basement, approximately 7 floors, reinforced concrete frame, air conditioning, fluorescent lighting, auditorium, shops, laboratory, and cafeteria included.

Estimate

Building: 2,300,000 square feet at \$19.03 (Approximately) --	\$43,760,000
Elevators and escalators	
Air conditioning	
Contingency	
General expenses	
Boiler plant-----	2,700,000
Tunnel, boiler plant to building-----	200,000
Roads, parking, site development, and exterior utility changes	1,200,000
Emergency generator-----	500,000
Special requirements-----	1,640,000
Total building costs-----	50,000,000

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We have certain requirements, and we will have certain particular types of laboratories and other equipment of that kind which would be necessary in our building.

Site Cost

If we go to Langley this would be our cost (indicating chart) plus the cost of the road, but we would have no cost for a site. If we do not go to Langley, we would have to pay for a site, and we estimate the cost of the site would be probably about \$1 million.

We have canvassed various possible sites, and we believe the site could be acquired within that cost, unless we should build in the District of Columbia. If we should build in the District of Columbia, then it would be substantially more than that.

Mr. Sikes. From the standpoint of going outside the District, does that come within the category of an anticipated cost of \$1 million for a site?

Mr. Dulles. It depends, sir upon where we go. If we take the Langley site, here are the various factors, and sites which we have under consideration. This is the Langley site, which at present is owned by the Government. It is a big plot of land, and we would need only a part of it. We estimate we would need about 100 acres which would give us all the protection from the road and which also would give us adequate parking space.

Mr. Miller. How far is that from here, as a matter of fact?

Mr. Sikes. How far is that from the District of Columbia?

Mr. White. It is about 8 miles from the White House.

Access Roads

Mr. Sikes. What is the situation in regard to access roads?

Mr. White. That is the problem. This road would have to be widened. It is only a double-lane highway at the present time.

Mr. Sikes. What would be the cost of the road?

Mr. White. Here(indicating) is the Langley site. This is where

SECRET

Chain bridge is located. This road here would be made a four-lane road, and the county has agreed, or the State has agreed, to do that. The State has agreed to make it a four-lane road, and to join up with the George Washington Memorial Parkway extension. This (indicating) is the George Washington Memorial Parkway which is now completed to Spout Run, which is about here. The right-of-way has been acquired from Spout Run to Chain Bridge, which is here.

So, the right-of-way remains to be acquired from here to the site. This is the proposed Cabin John Bridge, which is eventually coming across from Maryland, to connect up with the outer belt. We cannot use this site unless we have this George Washington Memorial Parkway on out to the site, in addition to whatever improvements the State will make on what is now Highway 123. So, the funds which we are talking about provide for this entire construction, plus acquiring the right-of-way from Chain Bridge on out to the Site.

Mr. Sikes. Does this include the cost of the roads?

Mr. White. Yes, sir.

Mr. Sikes. How much is that?

Mr. White. That is a total of \$8.5 million.

Mr. Sikes. That would make it a high-priced site, would it not?

Mr. White. Well, sir, that I do not believe should be tied to the site in terms of what the building is going to cost, because this road is already approved, and funds, I presume, will certainly be appropriated.

Mr. Sikes. Are you tell us that the roads are going to be built, whether or not your building is put there?

Mr. White. Yes, Sir.

Mr. Sikes. But will the roads be built at this time?

Mr. White. No sir; and that is our objection. The construction of the road has been approved, but funds have not been appropriated. The Department of the Interior, and, specifically, the National Park Service, will construct the road. They do not have funds in their 1956 budget to take care of it

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Mr. Sikes. If your building goes there, you will need the road immediately.

Mr. White. We must have it by the time the building is finished.

Mr. Sikes. That calls for an immediate appropriation of \$8.5 million against an indefinite appropriation at some future date?

Mr. White. That is right sir."

In the following testimony Mr. Dulles indicated that appropriations are made to CIA on a fiscal-year basis and are available for obligation for only 1 year:

"Mr. Dulles. Mr. Chairman, I want to just revert to a point I mentioned before, as to the possible methods of financing the building.

According to the understanding between the Appropriations Committee, the Bureau of the Budget and the General Accounting Office, funds are currently appropriated to CIA on a fiscal-year basis, and are therefore available for obligation for only 1 year. But following general Government practice these funds are available for expenditure for a period of 2 years after the year of obligation. Therefore they do not revert to the Treasury for 2 years.

There are available to the agency unobligated balances from prior-year appropriations not yet lapsed sufficient to finance the proposed building and the site acquisition.

I should like to suggest to your committee, sir, that the possibility be considered that these funds be used as the basis for financing the proposed new building.

The General Counsel of the General Accounting Office has informed us there would be no objection from the Comptroller General if we are clearly authorized to utilize such funds for the specific purpose of carrying out the authorization before you. In view of the fact that it is possible to finance construction of this building without the appropriation of new moneys your committee might wish to adopt language to effect this particular purpose of using these appropriated but unobligated funds.

The Bureau of the Budget has approved some language here that I would like to submit for the committee's consideration.

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(The language is as follows:)

For the acquisition of land and construction of a Central Intelligence Agency headquarters installation, in the District of Columbia or elsewhere, and acquisition of land for and construction to extend the George Washington Memorial Parkway, as authorized by the act of _____, 1955 (Public Law _____), to remain available until expended, \$59,500,000, to be derived from unobligated balances of appropriations made available to the Central Intelligence Agency for fiscal years 1953 and 1954."

The following testimony shows the amount of funds needed in fiscal year 1956 and the purposes for which the money would be spent:

Mr. Mahon. We have not received a budget estimate. As you know, the authorization bill has not passed the Congress.

Mr. Dulles. I realize that.

Mr. Mahon. So I do not know what money you would need. What money would you need in fiscal 1956?

Mr. Dulles. We have that, if it is done this way. We hope you will consider, though, possibly using these other funds.

Mr. Mahon. We could transfer, if we determined to, some of those funds; but how much of those funds would you want to transfer?

Mr. Dulles. Would you answer that.

Mr. White. Yes sir.

Sir, we would need to proceed without being held up for appropriations approximately \$7 million to obligate prior to June 30, 1956. I can break that down for you if you would like, sir.

We estimate that the architectural and engineering services and other general expenses in connection with this will run to about \$2.4 million.

The National Park Service in their estimate for the cost of this road in round figures would need about \$4 million for the first year.

There is a \$250,000 contingency item. Actually it is a \$500,000 contingency fund, but we broke it down to take half of it the first year and half of it the second year, and that would bring the total funds up to actually \$6,250,000 if we should select the Langley site; so in round figures \$7 million would be the most we would expect to obligate prior to June 30, 1956.

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Mr. Mahon. Please prepare a detailed statement and submit it to the clerk covering this matter.

Mr. White. Yes, sir.

Mr. Mahon. So that we may have it before us.

Mr. White. Yes, sir.

(The information is as follows:)

June 24, 1955

Hon. George H. Mahon,
Chairman, Defense Subcommittee, House Appropriations Committee,
House of Representatives,
Washington 25, D.C.

Dear Mr. Chairman: At our hearing before your subcommittee on June 23 1955, in support of an appropriation for the construction of the CIA headquarters installation authorized by title V of H.R. 6829, we submitted proposed appropriation language which would authorize the financing of this construction by the Central Intelligence Agency through the use of unobligated balances of appropriations made available to the Agency for fiscal years 1953 and 1954. There are sufficient unobligated balances available to finance this construction, which balances will otherwise lapse and be covered into the Treasury. However, you requested that we furnish a statement as to the amount of funds which we would expect to obligate during fiscal year 1956, in the event the committee decides to make a new appropriation in lieu of the method of financing from financing from prior year funds which we suggested.

If the Langley site, which we discussed, should be selected, it is estimated that we would require for early obligation the following amounts:

- | | |
|---|------------------|
| 1. Architectural and engineering services and other miscellaneous expenses ----- | \$2,400,000 |
| 2. For transfer to the MCPC to acquire the right-of-way for the extension of the George Washington Memorial Parkway----- | 200,000 |
| 3. For transfer to the Department of the Interior for the estimated first year's obligations for the construction of the extension of the George Washington Memorial Parkway----- | 4,000,000 |
| 4. Contingencies----- | 400,000 |
| Total ----- | <u>7,000,000</u> |

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If the Langley site is not selected, we would need an estimated \$1 million to acquire a site elsewhere. However, in this event no funds would be needed for the extension of the George Washington Memorial Parkway and, hence, \$7 million would be adequate in either case. We would appreciate having the appropriation language sufficiently broad to cover either contingency.

If the Congress approves of this construction, we plan to get on with the work as quickly as possible. We expect to complete our drawings and specifications and to award a contract within about 9 months after Congress gives its approval. If the Congress authorizes a new appropriation and appropriates only those funds which we expect to obligate during fiscal year 1956, it would be necessary for the Agency to request a supplemental appropriation early next year, since we could not award a contract until such additional funds were appropriated. For this reason, we would greatly prefer the appropriation of the entire amount requested through the use of unobligated funds made available to the Agency for fiscal years 1953 and 1954.

I sincerely hope that your committee will give this matter favorable consideration.

With kind regards,
Sincerely,

Allen W. Dulles, Director

9. House Document No. 210, dated July 1, 1955 contains the President's submission to Congress of a request for supplemental appropriations for fiscal year 1956 including the following proposed provision for the Agency:

CENTRAL INTELLIGENCE AGENCY
Construction

For the acquisition of land and construction of a Central Intelligence headquarters installation, in the District of Columbia or elsewhere, and acquisition of land and construction of roads, as authorized by the Act of _____, 1955 (Public Law _____), to remain available until expended, \$59,500,000; to be derived from unobligated balances of appropriations made available to the Central Intelligence Agency for the fiscal years 1953 and 1954.

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House Report No. 1116, dated July 12, 1955 relative to the Supplemental Appropriation Bill, 1956, contains the following committee comments:

"The bill includes \$3,000,000 for the preparation of detail plans and specifications for the proposed building to house the Central Intelligence Agency. Funds for construction of the building budgeted in the amount of \$59,500,000 are denied. It is felt that the inadequate planning with respect to both the site and the structure as evidenced in the hearings on this item gives the Committee no alternative but to defer action until a more firm program can be presented."

The following testimony was given on July 15, 1955 before the subcommittee of the committee on appropriations of the United States Senate considering items in the Supplemental Appropriation Bill, 1956:

" Mr. Dulles. Mr. Chairman, this is Colonel White on my left, who is one of my deputy directors. [REDACTED]

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[REDACTED] Mr. Pforsheimer, legal liaison officer; and Mr. Saunders, who is my comptroller.

Building for CIA

We very deeply appreciate this opportunity to appear before you on this question of a building for CIA. This matter has been up from time to time since 1951. We have in the authorization bill, H.R. 6829, under title IV, an authorization to the Director of Central Intelligence to spend not to exceed \$40 million for the construction of the installation and \$8,500,000 for transfer to the National Capital Planning Commission and the Department of the Interior for land and construction to extend the George Washington Memorial Parkway from the present terminus to the site of the research station of the Bureau of Public Roads at Langley in Fairfax County, Va. If the building is not placed at Langley, then the \$8,500,000 will not be available for obligation.

Then in the alternative the title that I referred to authorizes the Director of Central Intelligence to expend not to exceed \$1 million for the acquisition of an alternative site.

Mr. Chavez. Under the same title.

Mr. Dulles. Under the same title, sir, title IV. Chapter III of H.R. 7278, the supplemental appropriation bill, which is now before you, appropriates \$3 million for CIA to prepare detail plans and specifications rather than the full amount of the authorization."

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"Senator Robertson. Mr. Chairman, I would like to ask Mr. Dulles 1 or 2 questions.

House Action

Mr. Dulles, do you know what action was taken in the Appropriations Committee on this item?

Mr. Dulles. Yes, Sir.

Senator Robertson. I mean in the House.

Mr. Dulles. Yes, Sir.

Senator Robertson. What did they do?

Mr. Dulles. They appropriated \$3 million for the preparation of detailed plans and specifications of a Central Intelligence Agency headquarters installation in the District of Columbia or elsewhere as authorized by the act of July 15, 1955 (Public Law 161), to remain available until expended, \$3 million to be derived from unobligated balances of appropriations made available to the Central Intelligence Agency for the fiscal years 1953 and 1954.

Our problem, Senator, with that is this: That does not appropriate any money to get a site.

Senator Chavez. You don't need planning money until you have a site.

Mr. Dulles. I have to have a site before I can begin to plan. If I was in the District of Columbia I would build one kind of building. If I was out of the District of Columbia, as I expect to be, I would build another type of building. If I had one contour of land, I would build one type, and if I had another, I would build another type. I don't want to waste the taxpayers' money for drawing up plans for buildings that are not to be constructed.

Senator Robertson. What was the action on the floor of the House on this item?

Mr. Pforzheimer. Sir, my understanding is that the military construction bill was stricken on a point of order in the House yesterday, because the authorization bill itself had not been signed by the President.

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Senator Stennis. The House committee recommended this. They passed on it, and the House Committee recommended what Mr. Dulles has related. But the whole thing went out on a point of order on the floor.

Senator Robertson. There was a reservation and comment when the point of order was made that we want to go forward with this or was there a point of order and nobody said anything?

Mr. Pforzheimer. The point of order was made.

Senator Robertson. And nobody asked for a comment on the reservation on the ground it had not been authorized, and even the \$3 million went out?

Senator Chavez. That is what I wish you would discuss, Mr. Dulles, that is, the money items. The House took a certain kind of action. What do you desire this committee to do if you had your way?

FUNDS FOR SITE ACQUISITION

Mr. Dulles. Mr. Chairman, what I would like the committee to do would be to include the \$3 million, which is adequate, as far as plans, and so forth, are concerned. I don't expect to spend it all. I will be as economical as I can. But that is plenty for that. But I need between now and the next time we meet next year, under the authorization, money for a site so I can acquire a site and I can plan realistically.

Senator Chavez. Have you an estimate of that?

Mr. Dulles. Yes, sir. There are two alternatives. \$1 million would be adequate for a site in the general area of Virginia where we would propose to go in case the Langley site was not approved. After mature study, I think the Langley site, looking at the development of Washington and its relation to the other areas that I must deal with, is the best site. It is not the only site.

LANGLEY SITE REQUIREMENTS

Senator Chavez. Suppose it were determined that the Langley site is the best site. How much money would you need to acquire that?

Mr. Dulles. Then I would need \$4 million for the next year to acquire the right-of-way and start construction on the George Washington Memorial Highway to be extended to that site.

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Senator Robertson. If you chose the Langley site, in addition to what the building would cost, would the Government have to spend approximately \$8 million in building a four-lane highway out to you in order to utilize that site?

Mr. Dulles. I understand, Senator, and you know better than I that this is part of the Government planning. That is to be carried out within a reasonably short period of time. Of course, that can change.

Senator Robertson. In other words, they are going to spend it anyway some day.

Mr. Dulles. Some day they are going to spend it.

Senator Robertson. How much would be involved immediately on that parkway if you have this Langley site?

Mr. Dulles. We would expect that there would be spent in the next fiscal year \$4 million. To complete it would be another four million five.

Senator Robertson. How much would the Government have to spend for improved highways to the site?

Mr. Dulles. That would be all, sir.

Senator Robertson. Four million dollars on the highways?

Mr. Dulles. No, sir, \$8,500,000.

Senator Robertson. That is over and above what the building is going to cost?

Mr. Dulles. Yes, sir."

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Senator Stennis. Mr. Chairman, may I say a very brief word about the question of the building? We had this up in the Armed Services Committee, and went into it rather thoroughly. I thought it was tragic, gentlemen, that we had the central office here located in 34 scattered fourth-rate buildings. We considered whether there was a building here in the District that would take care of that. There was not one. The additional reason was that they did not want it right here anyway.

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What impressed me, too, about the need for this building in addition to other general needs is that they have to run these records from one building to another. They are valuable records. We went into the unit cost, we went into the cost of their location. This Langley site is already owned by the Government. I was convinced that to take care of the traffic here some day we will have to build this George Washington Parkway up that river anyway. So that tied in with the location at Langley, which seemed to me as a territory that is relatively uncrowded, relatively undeveloped, and would get away from the rest of the congestion.

TOTAL AUTHORIZATION

We went into the unit cost and the need and we reduced Mr. Dulles' request from \$50 million for the building to \$45 million. That was explained rather in detail to the full committee. The bill went to conference, and we yielded to the House \$1 million. It comes back here under authorization for \$46 million. The unit cost is a little higher than we found in buildings like the General Accounting Office with adjustments for price increase since the General Accounting Office was built. But there are peculiar situations here with reference to storing these records and working in small cubicles rather than in open spaces that we thought justified the additional unit cost when we applied our reduction. So getting back to the overall proposition, we are in this business, we are going to stay in it, as I see it. I think we ought to go on and get a suitable building."

Mr. Dulles. "You asked, Mr. Chairman, what I wanted. Naturally I would like to get an appropriation for the entire building, but in view of the attitude of the House, I thought I had better be more modest before you here today. All that I could spend until I would have a chance to come before you again would be money for my plans and my site, and working on the approaches to the site. Then I will come back to the next session. But I wanted you to know the overall plan.

Senator Robertson. If you were given \$2 million for plans and \$4 million for highway construction, will you understand that a year from now when you come back for building construction money, we will be free at that time to take another look to see whether you need that big a building?

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Will you consider when we give you \$2 million for planning money and \$4 million for access road money, we are committed to \$46 million?

Mr. Dulles. I appreciate that the appropriation side of Congress is not committed to an authorization. I have had an authorization for \$38 million for 5 years, but haven't had the money. I am inured to the problems.

May I amend one point, Senator? I would like to have the alternative of \$1 million to acquire a site in case for any reason the Langley site is unavailable. I don't think it will be unavailable.

Senator Chavez. If you use Langley and then the committee gives you a million for alternative, then you won't need that million dollars.

Mr. Dulles. That is correct. You could state if it were not used for roads \$1 million would be available to acquire a site.

Senator Ellender. Is this road authorized?

Mr. Dulles. Yes, sir."

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"Senator Chavez. Mr. Dulles, the statement justifying the request is not classified. Would you have any objection to having it inserted in the record?

Mr. Dulles. No, sir; it can be inserted in the record.

Senator Chavez. Without objection, it is so ordered.

(The justifications referred to follow:)

Justification For An Appropriation To Construct A Headquarters Installation For The Central Intelligence Agency As Provided For In Title IV of H.R. 6829

Since the establishment of the Central Intelligence Agency in 1947, efforts have been made to locate the activities of the Agency in one building. Several studies have been made by the Public Buildings Service in coordination with the Bureau of the Budget and this Agency to ascertain if it were possible to locate all CIA activities in an existing permanent structure. It has been concluded that the only way to solve this problem is to construct an installation suitable to the needs of this Agency.

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The estimated cost of the proposed installation by major items was as follows:

Building (2,300,000 square feet, at \$19.03 approximately)-----	\$43,760,000
Boiler plant-----	2,700,000
Tunnel, boiler plant to building-----	200,000
Roads, parking, site development, and exterior utility changes-----	1,200,000
Emergency generator-----	500,000
Special requirements-----	1,640,000
Total building cost-----	<u>\$50,000,000</u>

According to our tentative plans, the building would consist of gross floor area of 2,300,000 square feet; basement, approximately 7 floors, reinforced concrete frame; air conditioning, fluorescent lighting, auditorium, shops, laboratory; and cafeteria. These estimates were prepared in consultation with the Public Buildings Service and the Bureau of the Budget. However, title IV of H.R. 6829 authorized only \$46 million for construction. We have not yet had an opportunity to analyze our requirements to determine where the reduction can be made.

At the present time the Agency is located in 34 different buildings. Twenty of these are of temporary construction, some of which were used as barracks to house Waves during World War II and were never intended to be used as office space. According to the proposed plans for construction of the new bridge across the Potomac River, a number of our present buildings are scheduled to be removed which will leave the Agency without sufficient office space.

Being housed in 34 buildings located at varying distances from each other causes security problems, inefficient and uneconomical operations and transportation difficulties. The security aspect is appalling when one considers the number of highly classified documents which must be transported and circulated between such a large number of buildings. The intangibles involved in getting officials together for conferences, meetings, and consultations is hard to evaluate but is extremely serious and costly in terms of lost man-hours and inefficiency. The transportation of people, material, and documents is also a matter of real concern.

It is, therefore, respectfully requested that the amount approved by the House Appropriation Committee of \$3 million be increased to \$7 million to provide for, in addition to the development of detail plans and specifications, the acquisition of land and the starting of construction of the extension of the George Washington Memorial Parkway.

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Although the House committee recommended that \$3 million be appropriated from prior year, unobligated balances, it is understood that they would prefer a direct appropriation for other funds in connection with this project. Accordingly, it is recommended that \$7 million be made ~~be-made~~ available by a direct appropriation. The Bureau of the Budget concurs in this change in the Agency's original request.

Further information and justification will be presented at the hearing to be held on Friday, July 15, 1955.

The following chart indicates the estimated savings that can be accomplished on an annual basis by locating CIA headquarters operations in one building:

Item	Present costs	Estimated cost in 1 new building	Estimated savings in 1 new building
Guard service	\$1,173,000	\$320,000	\$853,000
Reception staff.....	110,000	30,000	80,000
Shuttle service.....	36,800	-----	36,800
Couriers & messengers.....	213,200	143,300	69,900
Telephone mileage charges....	32,800	-----	32,800
Building services officers...	125,000	75,000	50,000
Rents.....	133,500	-----	133,500
Alterations & moving.....	1,332,000	300,000	1,032,000
Loss of time.....	607,000	-----	607,000
TWX service.....	45,000	20,000	25,000
Total	<u>\$3,808,300</u>	<u>\$888,300</u>	<u>\$2,920,000</u>

Based on the above estimated savings the capital cost of the proposed installation would be recovered by the Government over a period of approximately 20 years.

The Government-owned land at the site of the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Va., is believed best suited for the proposed installation. In connection with this site there is the problem of access roads. However, the state of Virginia has agreed to improve the present road system if the Federal Government appropriates funds for the extension of the George Washington Memorial Highway as authorized in H.R. 6829. This would solve the access roads problem.

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Since the Congress had not finally acted on the Military Construction Act, title IV of which authorized the extension of the George Washington Memorial Parkway, at the time we appeared before the House Appropriations Committee, a final site selection could not be made. For this reason, as well as the fact that detail plans and specifications had not been developed, the House committee felt that they should allow only \$3 million for the preparation of these plans and specifications.

Since it has now been determined that the Langley site would be most suitable for our needs, it becomes necessary to insure that the extension of the George Washington Memorial Parkway will be completed not later than our own installation. Of the total estimated cost of \$8.5 million for this purpose, \$4 million is essential for acquisition of right-of-way and construction during the first year. These funds should be made available now. Otherwise we cannot be completely sure that we can use the Langley site.

While it is not impossible to modify detail plans and specification for one site so as to make them adaptable to another, certainly the site is an extremely important factor in such planning and to adapt them to another site seems wasteful of the taxpayers' money.

Senate Report No. 1094, dated July 23, 1955 concerning the Supplemental Appropriation Bill, 1956, contains the following committee comments and recommended appropriation language:

CENTRAL INTELLIGENCE AGENCY

Construction

1956 supplemental estimate (H. Doc. 210), from	
unobligated balances -----	\$59,500,000
House committee, from unobligated balances - - - - -	3,000,000
House floor- - - - -	0
Senate committee-- - - - -	7,000,000

The committee has approved \$3 million for planning and \$4 million for roads and purchase of site, including not to exceed \$350,000 for land purchase, if needed when final decision of the selection of the site is made. The committee believes that further careful study and investigation should be made before the site is finally determined. There is much objection locally to the proposed Langley site. In addition, the traffic problem may be difficult. The committee believes that the proposed construction of the building should be commenced. Therefore, planning money is included. Money for the George Washington Memorial Parkway should be used only if the Langley site is finally chosen. The committee believes that a proper site can be acquired for less than \$350,000 and so has put that limitation in the appropriation.

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(The recommended language is as follows:)

**CENTRAL INTELLIGENCE AGENCY
Construction**

For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for other purposes as authorized by title IV of the Act of July 15, 1955 (Public Law 161), to remain available until expended \$7,000,000 of which \$4,000,000 shall be available for transfer to the National Capitol Planning Commission and to the Department of the Interior for acquisition of land and construction to extend the George Washington Memorial Parkway: Provided, That if it is determined such headquarters installation will not be constructed at the Research Station of the Bureau of Public Roads at Langley, Fairfax County, Virginia, none of the funds shall be available for acquisition of land and construction to extend the George Washington Memorial Parkway and not to exceed \$350,000 shall be available from such \$4,000,000 for acquisition of land for the site of the headquarters installation.

Conference Report No. 1586, dated July 29, 1955, contains the following amendment relative to the Agency's proposed construction program:

"Amendment numbered 30:

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert:

**CENTRAL INTELLIGENCE AGENCY
Construction**

For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for other purposes as authorized by title IV of the Act of July 15, 1955 (Public Law 161), to remain available until expended, \$5,500,000.

And the Senate agree to the same."

The statement of the Managers on the Part of the House relative to the proposed amendment follows:

CENTRAL INTELLIGENCE AGENCY

" Amendment No. 30: Appropriates \$5,500,000 for the Central Intelligence Agency headquarters installation instead of \$7,000,000 as proposed by the Senate. The managers, by the action taken, are not designating any particular site nor do they preclude the selection of any particular site. Of the amount appropriated not to exceed \$350,000 may be used for the purchase of a site in the event the Langley, Va., site is not selected; and in the event the Langley, Va., site (which is now

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Government-owned) is selected not to exceed \$2,500,000 of the amount appropriated may be used in connection with the taking of steps with regard to roads and other facilities."

The following appropriation language is contained in the Supplemental Appropriation Act, 1956, P.L. 219 -84th Congress, approved August 4, 1955:

**"CENTRAL INTELLIGENCE AGENCY
Construction**

For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for other purposes as authorized by title IV of the Act of July 15, 1955 (Public Law 161), to remain available until expended, \$5,500,000."

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